

FEDERATED INSURANCE COMPANIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - SILICA OR SILICA-RELATED DUST

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph B.

Exclusions:

This insurance does not apply to:

Silica Or Silica-Related Dust

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

4. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following definitions are added to Paragraph

G. Liability Definitions:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

Exclusion i. under Paragraph B.1., **Exclusions** is replaced by the following:

i. War

"Bodily injury", "property damage" or "personal and advertising injury" however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

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**LIMITED TERRORISM EXCLUSION (OTHER THAN
CERTIFIED ACTS OF TERRORISM); CAP ON LOSSES
FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":
 - a. The act resulted in aggregate losses in excess of \$5 million; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph b. of the definition of "certified act of terrorism" when such act resulted in aggregate losses of \$5 million or less. Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C. In the event of an "other act of terrorism" that is not subject to this exclusion; coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Form or Policy.
- D. With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF PUNITIVE DAMAGES RELATED TO A
CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph

B.1., Exclusions:

q. Fungi or Bacteria

- (1) "Bodily injury", "property damage", or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. The following definition is added to Paragraph G.
Liability Definitions:

"Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

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COMPREHENSIVE BUSINESS LIABILITY EXCLUSION

(All Hazards in Connection with Designated Premises or Operations)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

SCHEDULE*

A. Description And Location Of Premises:

All residential buildings and related premises whether occupied or not. This does not include commercial buildings with residential living quarters as part of the commercial building. This does not include buildings and related premises where you conduct business or contracting operations. This does not apply to "bodily injury" or "property damage" coverage included within the "Products-Completed Operations Hazard".

B. Description And Location Of Premises Operations:

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

The following are added to Paragraph **B. Exclusions** with respect to Business Liability Coverage:

- | | |
|---|--|
| <p>A. This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of:</p> <ol style="list-style-type: none">1. The ownership, maintenance or use of the premises described in Item A. of the Schedule or any property located on those premises;2. Operations on those premises or elsewhere that are necessary or incidental to the ownership, maintenance or use of those premises; or | <p>3. Goods or products manufactured at or distributed from those premises.</p> <p>B. This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of:</p> <ol style="list-style-type: none">1. Operations described in Item B. of the Schedule; or2. The "products-completed operations hazard" arising from those operations. |
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BUSINESSOWNERS COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2) After damage by a covered cause of loss, permanent repairs to the building:
 - (a) Have not started, and
 - (b) Have not been contracted for, within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
 - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

D. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

E. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe and healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

G. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. Business Liability Coverage is excess over:
 - a. Any other insurance that insures for direct physical loss or damage; or
 - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and

- b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:
If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
 - a. Prior to a loss to your Covered Property.

- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

L. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

GOLD PROPERTY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

- A. Paragraph (3) of Additional Coverage A.5.a. Debris Removal is deleted and replaced with the following:
- (3) The most we will pay under this Additional Coverage is \$50,000.
- B. Coverage Extension A.6.a. Newly Acquired or Constructed Property is revised as follows:
1. The final paragraph of (1) Buildings is deleted and replaced by the following:
The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.
 2. The final paragraph of (2) Business Personal Property is deleted and replaced by the following:
The most we will pay for loss or damage under this Extension is \$500,000 at each premises.
 3. Paragraph (3)(b) is deleted and replaced by the following:
(b) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- C. Coverage Extension A.6.b. Personal Property Off Premises is deleted and replaced with the following:
You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit (including loading or unloading), in the possession of salespersons, or temporarily at a premises you do not own, lease or operate.
The Extension also covers personal property at fairs and exhibitions even though such locations may be owned or leased.
However, this insurance does not cover property in the custody of carriers for hire.
- The most we will pay for loss or damage under this Extension is \$50,000 per loss occurrence.
- D. The second paragraph of the Outdoor Property Coverage Extension A.6.c. is deleted and replaced with the following:
The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$500 for any one tree, shrub or plant.
- E. Paragraph A.6.e.(3) of the Valuable Papers and Records Coverage Extension is deleted and replaced by the following:
(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$25,000.
For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.
- F. Paragraph a. of Limits of Insurance C.4. Business Personal Property Limit - Seasonal Increase is deleted and replaced by the following:
a. The Limit of Insurance for Business Personal Property will automatically increase by 50% to provide for seasonal variations.
- G. Loss Conditions E.6.e. of the Property Loss Conditions is deleted and replaced by the following:
e. At your request, we will pay for direct physical loss of or damage to personal property of others while such property is in your care, custody and control. We will also pay all sums you are legally required to pay because of direct physical loss of or damage to this property.
Our payment for loss of or damage to personal property of others will only be for the account of the owners of the

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property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

We will not cover under this provision:

- (1) Employee owned tools and equipment;
- (2) Property being transported for hire; or
- (3) Property held for sale by you.

Transportation for hire does not include hauling for others that is incidental to your sales or service operation.

We will not take action against any of your customers who are liable for loss or their insurance carrier except with your written permission.

H. Additional Coverage Extensions

1. Business Income and Extra Expense

a. Business Income

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary total or partial "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and

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- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(2) Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on businesses; and
- (b) Continuing normal operating expenses incurred, including payroll.

- (3) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

b. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

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- (a) The portion of the building which you rent, lease or occupy; and
 - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (2) Extra Expense means expense incurred:
- (a) To avoid or minimize the "suspension" of business and to continue your "operations":
 - (i) At the described premises; or
 - (ii) At replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations.
 - (b) To minimize the "suspension" of business if you cannot continue your "operations".
 - (c) To:
 - (i) Repair or replace any property; or
 - (ii) Research, replace or restore the lost information on damaged "valuable papers and records";
 to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension.
- (3) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

c. Additional Limitation-Interruption Of Computer Operations

- (1) Coverage for Business Income does not apply when a "suspension" of your "operations" is caused by destruction or corruption of "electronic media and records", or any loss or damage to "electronic

media and records", except as provided under the Special Additional Coverage - Interruption Of Computer Operations.

- (2) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of your "operations" caused by destruction or corruption of "electronic media and records", or any loss or damage to "electronic media and records", except as provided under the Special Additional Coverage - Interruption Of Computer Operations.

d. Special Additional Coverages

(1) Business Income Accounting Expense

When it is necessary to secure the services of an accountant to assist in the calculation of a Business Income loss, we will pay up to \$1,000 toward the cost of these expenses.

(2) Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (a) 3 consecutive weeks after the time of that action; or
 - (b) When your Business Income coverage ends;
- whichever is later.

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(3) Extended Business Income

(a) If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

(i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and your "operations" are resumed; and

(ii) Ends on the earlier of:

- i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
- ii. 30 consecutive days after the date determined in Paragraph (a)(i) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

(b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(4) Interruption Of Computer Operations

(a) Subject to all provisions of this Special Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a

"suspension" of your "operations" caused by an interruption in "computer" operations due to destruction or corruption of "electronic media and records" due to a Covered Cause of Loss.

(b) With respect to the coverage provided under this Special Additional Coverage, the Covered Causes of Loss are subject to the following:

(i) The "specified causes of loss"; or

(ii) Collapse of a building as provided in Paragraph A.5. Additional Coverage d. Collapse.

(c) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a "computer" system (including "electronic media and records") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a "computer" system (including "electronic media and records") by any employee, including a temporary or leased employee, or by an entity retained by you for you to inspect, design, install, maintain, repair or replace that system.

(d) The most we will pay under this Special Additional Coverage - Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or "computer" systems involved. If loss payment relating to the first interruption does not exhaust

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this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (e) This Special Additional Coverage - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in Paragraph (d) above has not been exhausted.

e. Loss Determination

- (1) The amount of Business Income loss will be determined based on:
- (a) The Net Income of the business before the direct physical loss or damaged occurred;
 - (b) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (c) The operating expenses, including payroll expenses, necessary to resume your "operations" with the same quality of service that existed

just before the direct physical loss or damage; and

- (d) Other relevant sources of information, including:
 - (i) Your financial records and accounting procedures;
 - (ii) Bills, invoices and other vouchers; and
 - (iii) Deeds, liens or contracts.

- (2) The amount of Extra Expense will be determined based on:

- (a) All expenses that exceed the normal operating expenses that would have been incurred by your "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once your "operations" are resumed; and
 - (ii) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (b) All necessary expenses that reduce the Business Income loss that otherwise would have been payable under this Coverage Extension.

f. Special Exclusions

The following additional exclusions apply to the Business Income and Extra Expense Coverage Extension:

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We will not pay for:

(1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming your "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of your "operations", we will cover such loss that affects your Business Income during the "period of restoration".

(2) Any other consequential loss.

2. Utility Services Interruption - Time Element

a. We will pay for loss of Business Income and Extra Expense caused by the interruption of utility service to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises:

(1) Water Supply Services, meaning the following types of property supplying water to the described premises:

(a) Pumping stations; and

(b) Water mains.

(2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

(a) Communication transmission lines, including fiber optic transmission lines;

(b) Coaxial cables; and

(c) Microwave radio relays except satellites.

(3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

(a) Utility generating plants;

(b) Switching stations;

(c) Substations;

(d) Transformers; and

(e) Transmission lines.

b. The coverage period for Business Income and Extra Expense under this Coverage Extension:

(1) Begins 72 hours after the time of the interruption of utility service caused by or resulting from direct physical loss or damage by any Covered Cause of Loss; and

(2) Ends on the date when the utility service has been restored.

c. Coverage under this Coverage Extension does not apply to Business Income loss or Extra Expense related to interruption of utility service which causes loss or damage to "electronic media and records", including destruction or corruption of "electronic media and records".

d. The definitions of Business Income and Extra Expense contained in Coverage Extension H.1. Business Income and Extra Expense applies to this Utility Services Interruption - Time Element Coverage Extension.

e. The most we will pay for loss or damage under this Coverage Extension is \$25,000 per loss occurrence.

3. Loss of Business Income from Dependent Properties

a. We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property caused by or resulting from any Covered Cause of Loss.

b. We will reduce the amount of your Business Income loss to the extent you

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can resume your "operations", in whole or in part, by using any other available:

- (1) Source materials; or
 - (2) Outlet for your products.
- c. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- d. Dependent property means property owned by others whom you depend on to:
- (1) Deliver materials or services to you or to others for your account. But services does not mean water, communication or power supply services;
 - (2) Accept your products or services;
 - (3) Manufacture your products for delivery to your customers under contract of sale; or
 - (4) Attract customers to your business.
- The dependent property must be located in the coverage territory of this policy.
- e. The coverage period for Business Income under this Coverage Extension:
- (1) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
 - (2) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- The expiration date of this policy will not reduce the Business Income coverage period.
- f. The Business Income coverage period as stated in Paragraph e. does not include any increased period required due to the enforcement of any ordinance, law or environmental regulation that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

- g. The definition of Business Income contained in Coverage Extension H.1. Business Income and Extra Expense applies to this Loss of Business Income From Dependent Properties Coverage Extension.
- h. The most we will pay for loss or damage under this Coverage Extension is \$50,000 per loss occurrence.

4. Employees Tools and Equipment

You may extend the insurance that applies to Business Personal Property to apply to loss of or damage to tools and equipment owned by your employees and used by them in your business.

The most we will pay for loss or damage under this Coverage Extension is \$25,000 per loss occurrence.

Our payment for loss of or damage to employee tools and equipment will only be for the account of the owner of the property.

5. Spoilage

- a. You may extend the insurance that applies to Business Personal Property to apply to direct physical loss of or damage to "perishable stock" caused by the following Covered Causes of Loss:

- (1) Breakdown or Contamination, meaning:
 - (a) Change in temperature or humidity resulting from mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises; or
 - (b) Contamination by a refrigerant, only while the refrigerating

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apparatus or equipment is at the described premises;

caused by or resulting from the "specified causes of loss" or Collapse of a building as provided in Paragraph A.5. Additional Coverage d. Collapse.

Mechanical breakdown and mechanical failure do not mean power interruption regardless of how or where the interruption is caused or whether or not the interruption is complete or partial.

- (2) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

- b. The following is added to Paragraph A.2. Property Not Covered:

Property located:

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

- c. Paragraph A.6. Coverage Extensions does not apply to this Coverage Extension.

- d. Section B. Exclusions does not apply to this Coverage Extension except for:

- (1) Paragraph B.1.b., Earth Movement;
- (2) Paragraph B.1.c., Governmental Action;
- (3) Paragraph B.1.d., Nuclear Hazard;
- (4) Paragraph B.1.f., War and Military Action;
- (5) Paragraph B.1.g., Water;
- (6) Paragraph B.2.a., Electrical Apparatus;
- (7) Paragraph B.2.d., Steam Apparatus; and
- (8) Paragraph B.2.i.(6), Mechanical breakdown.

- e. The following exclusions are added:

We will not pay for loss or damage caused by or resulting from:

- (1) The disconnection of any refrigerating, cooling or humidity control system from any source of power.
- (2) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- (3) The inability of an electrical utility company or other power source to provide sufficient power due to:
 - (a) Lack of fuel; or
 - (b) Governmental order.
- (4) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- (5) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

- f. The following is added to item E.6.d. Loss Payment of the Property Loss Conditions:

We will determine the value of Covered Property as follows:

- (1) For "perishable stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;
- (2) For other "perishable stock", at actual cash value.

- g. The following is added to G. Property Definitions:

"Perishable Stock" means personal property:

- (1) Maintained under controlled temperature or humidity conditions for preservation; and
- (2) Susceptible to loss or damage if the controlled conditions change.

- h. The most we will pay for loss or damage under this Coverage Extension is \$25,000 per loss occurrence.

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6. False Pretense

- a. You may extend the insurance that applies to Business Personal Property to apply to direct physical loss to Covered Property that results from:
 - (1) Someone causing you to voluntarily part with any Covered Property by any fraudulent scheme, trick, device or false pretense; or
 - (2) Your obtaining Covered Property from a seller who did not have legal title to it. For purposes of this Additional Coverage, a person who owns property subject to a lien or encumbrance on that property shall be deemed to have legal title to that property.
- b. We will not cover under this Coverage Extension conversion of Covered Property that you rent, loan or lease to others.
- c. The following is added to item E.6.d. Loss Payment of the Property Loss Conditions:
 - (1) The value of any property delivered to you in full or partial payment for the Covered Property will be deducted from your loss payment.
 - (2) We will not pay any loss or any portion of a loss as a result of an undisclosed lien involving purchases, trade ins, or similar transactions.
 - (3) If the Covered Property is recovered, we will pay no more than:
 - (a) The actual cost and expense of recovering the Covered Property; plus
 - (b) The cost of any repairs needed as a result of damage to Covered Property following the loss.
- d. We will not make payment under a.(1) above unless:
 - (1) You have full and valid title to the Covered Property, other than property of others. We won't apply this provision if you do not have

valid title to the Covered Property because of a manufacturer's floor plan financing arrangement.

- (2) You make every effort to recover the Covered Property when located.

- e. You shall obtain a warrant for the arrest of the person(s) obtaining the Covered Property as soon as practicable after the loss.
- f. Exclusion B.2.g. does not apply to this Coverage Extension.
- g. The most we will pay for loss or damage under this Additional Coverage is \$10,000 per loss occurrence. The most we will pay for all False Pretense losses caused by one person or organization within any policy period is \$10,000 regardless of the number of occurrences.

7. Leased, Loaned or Rented Property

- a. You may extend the insurance that applies to Business Personal Property to apply to direct physical loss of or damage to property which is:
 - (1) Leased, loaned, or rented by you to others;
 - (2) On exhibition by you; or
 - (3) Which is entrusted by you to others for demonstration.
- b. We do not cover under this Coverage Extension:
 - (1) Automobiles, motortrucks, motorcycles, aircraft or watercraft; or
 - (2) Business Personal Property while located at premises owned, rented, leased or controlled, in whole or in part, by you or used by you in the conduct of your business.
- c. The following is added to B. Exclusions:

We will not pay for loss caused by or resulting from any unexplained loss, mysterious disappearance, or shortage disclosed on taking inventory.

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- d. The following is added to item E.6.d. Loss Payment of the Property Loss Conditions:

In the event of loss payment, we will not take action against any customer who is liable for loss or damage except:

- (1) With your written permission; or
- (2) To the extent of other insurance that is available to your customer.

- e. The most we will pay for loss or damage under this Additional Coverage is \$25,000 per loss occurrence.

8. Money and Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these premises resulting directly from:
- (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. Limitation A.4.a.(3) does not apply to this Coverage Extension.
- d. We will determine the value of Covered Property as follows:
- (1) "Money" at its face value; and
 - (2) "Securities" at their value at close of business on the day the loss is discovered.

- e. The most we will pay for loss or damage under this Coverage Extension is \$25,000 per loss occurrence.

- f. All loss:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

- g. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

9. Employee Dishonesty

- a. We will pay for direct loss of or damage to:

- (1) Business Personal Property;
- (2) "Money" and "securities"; and
- (3) Property owned, leased or held by a client having a contract with you for the services of any of your employees;

resulting from dishonest acts committed by any of your employees, whether identified or not, acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

- (1) Cause you or a client having a contract with you for the services of any of your employees to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

- (a) Any employee; or
- (b) Any other person or organization.

- b. We will not pay for loss or damage:

- (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.

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- (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
- (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage under this Coverage Extension is \$25,000 per loss occurrence.
- d. All loss or damage:
 - (1) Caused by more than one person; or
 - (2) Involving a single act or series of acts;
 is considered one occurrence.
- e. if any loss is covered:
 - (1) Partly by this insurance; and
 - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
 the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
 We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no occurrence limit cumulates from year to year or period to period.
- f. This Coverage Extension is cancelled as to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Coverage Extension, provided:
 - (1) This Coverage Extension became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Coverage Extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under Paragraph h. above is part of, not in addition to, the occurrence limit applying to this Coverage Extension and is limited to the lesser of the amount recoverable under:
 - (1) This Coverage Extension as of its effective date; or
 - (2) The prior insurance had it remained in effect.
- j. Exclusion B.2.f. Dishonesty does not apply to this Coverage Extension.

10. Money Orders and Counterfeit Paper Currency and Forgery and Alteration

- a. We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
 - (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
 - (2) "Counterfeit" paper currency that is acquired during the regular course of business.

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- b. We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- c. If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- d. As used in this Coverage Extension, the word "counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
- e. The most we will pay for any loss, including legal expenses, under this Coverage Extension is \$5,000.

I. Systems Breakdown Additional Coverage

1. Coverage

- a. We will pay for loss caused by or resulting from an "accident" occurring on your premises. At the time the "accident" occurs, it must become apparent by physical damage that requires repair or replacement of Covered Property.

If an initial "accident" causes other "accidents", all will be considered one "accident".

All "accidents" at any location that are the result of the same event will be considered one "accident".

The most we will pay per "accident" for direct loss or damage under this Additional Coverage is the applicable Building or Business Personal Property Limit of Insurance shown in the Declarations.

- b. We will pay for the actual loss of Business Income and Extra Expense due to the necessary total or partial suspension of your "operations" caused

by or resulting from an "accident" occurring on your premises.

2. Exclusions

The following additional exclusions apply to the Systems Breakdown Additional Coverage:

- a. We will not pay for loss caused by or resulting from breakdown of any:
 - (1) Structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) Insulating or refractory materials;
 - (3) Sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) Vehicles, golfmobiles, snowmobiles, all terrain vehicles, motorcycles, motor scooters, mopeds, garden tractors, lawn mowers, snow blowers, watercraft, dragline, excavation, farm, industrial or construction equipment and all other similar equipment; or
 - (6) Equipment you manufactured for sale to others.
- b. We will not pay under this Additional Coverage for loss or damage caused by or resulting from:
 - (1) Your failure to use all reasonable means to protect "perishable goods" from damage following an "accident";
 - (2) Any defect, virus, loss of data or other situation within "media". But if loss or damage from an "accident" results, we will pay for that resulting loss or damage; or
 - (3) Any of the following tests:
 - (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (b) An insulation breakdown test of any electrical equipment.

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3. Coverage Extensions

- a. The following exclusions and limitations in the Businessowners Special Property Coverage Form do not apply to this Additional Coverage:

- (1) Exclusion B.2.a. Electrical Apparatus;
- (2) Exclusion B.2.d. Steam Apparatus;
- (3) Exclusion B.2.i.(6) Mechanical breakdown;
- (4) Limitation A.4.a.(1) Steam boilers; and
- (5) Limitation A.4.a.(2) Hot water boilers or other water heating equipment.

All other Exclusions and Limitations continue to apply.

- b. The following exclusions in the Businessowners Special Property Coverage Form are amended:

- (1) The following is added to Exclusion B.1.g.(1):

However, if covered electrical equipment requires drying out as a result of the above, we will pay for the direct expenses of such drying out.

- (2) The following is added to Exclusion B.2.i.:

But if an excluded cause of loss that is listed in Paragraphs (1) through (7) results in an "accident" to Covered Property, we will pay for the loss or damage caused by that "accident".

4. Additional Coverage Extensions

The following Additional Coverage Extensions apply to loss caused by or resulting from an "accident". Payments under the following Additional Coverage Extensions are part of, not in addition to, the applicable Limit of Insurance shown in the Declarations.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay for the reasonable extra cost to:

- (1) Make temporary repairs; and

- (2) Expedite permanent repairs or replacement.

The most we will pay for loss or damage under this Additional Coverage Extension is \$25,000 per "accident".

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property. Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency. Additional costs mean those costs beyond what would have been required had no hazardous substance been involved, including:

- (1) Actual loss of Business Income;
- (2) Necessary Extra Expenses; and
- (3) Loss to "perishable goods" caused by spoilage.

The most we will pay for loss or damage under this Additional Coverage Extension is \$25,000 per "accident".

c. Perishable Goods

- (1) We will pay for your loss of "perishable goods" due to:

- (a) Spoilage; or
- (b) Contamination from the release of any refrigerant, including, but not limited to, ammonia.

- (2) We will also pay any necessary expenses you incur to reduce the amount of loss under this Extension. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would be payable under this Extension.

- (3) We will not pay under this Additional Coverage Extension for loss or damage caused by or resulting from:

- (a) Fire;
- (b) Lightning;
- (c) Windstorm or hail;

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- (d) Explosion, except for steam or centrifugal explosion;
- (e) Smoke;
- (f) Aircraft or vehicles;
- (g) Riot or civil commotion;
- (h) Vandalism;
- (i) Sprinkler leakage;
- (j) Falling objects;
- (k) Weight of snow, ice, or sleet;
- (l) Freezing;
- (m) Collapse; or
- (n) Earth movement or volcanic eruption.

(4) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident", less discounts and expenses you otherwise would have had. Otherwise, our payment will be determined in accordance with the Loss Payment Condition.

(5) The most we will pay for loss or damage under this Additional Coverage Extension is \$25,000 per "accident".

d. Computer Equipment

We will pay for loss or damage caused by or resulting from an "accident" to computer equipment.

Computer equipment means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.

The most we will pay for loss or damage under this Additional Coverage Extension, including actual loss of Business Income and necessary Extra Expense you incur, is \$25,000 per "accident".

e. CFC Refrigerants

We will pay for the additional costs to repair or replace Covered Property

because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (1) Repair the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved, including:

- (1) Actual loss of Business Income;
- (2) Necessary Extra Expense; and
- (3) Loss to "perishable goods" caused by spoilage.

The most we will pay for loss or damage under this Additional Coverage Extension is \$25,000 per "accident".

f. Service Interruption

(1) You may extend the insurance applicable to:

- (a) Business Income;
- (b) Extra Expense; and
- (c) "Perishable Goods"

to apply to loss caused by or resulting from an "accident" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to provide you with any of the following services:

- (a) Electrical power;
- (b) Communications;
- (c) Waste disposal;
- (d) Air conditioning;
- (e) Refrigeration;
- (f) Heating;
- (g) Gas;
- (h) Air;
- (i) Water; or

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- (j) Steam.
- (2) Coverage begins 72 hours after the time of the "accident" to equipment that is owned by a utility, landlord or other supplier and ends at the time when service is restored.
- (3) We will not pay under this Additional Coverage Extension for loss or damage caused by or resulting from:
 - (a) Fire;
 - (b) Lightning;
 - (c) Windstorm or hail;
 - (d) Explosion, except for steam or centrifugal explosion;
 - (e) Smoke;
 - (f) Aircraft or vehicles;
 - (g) Riot or civil commotion;
 - (h) Vandalism;
 - (i) Sprinkler leakage;
 - (j) Falling objects;
 - (k) Weight of snow, ice, or sleet;
 - (l) Freezing;
 - (m) Collapse; or
 - (n) Earth movement or volcanic eruption.
- (4) The most we will pay for loss or damage under this Additional Coverage Extension is \$10,000 per "accident".

5. Conditions

a. Jurisdictional Inspections

If any Covered Property requires inspection to comply with state or municipal boiler and pressure vessel regulation, we agree to perform such inspection on your behalf.

b. Suspension

When any equipment is found to be in or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that equipment. We can do this by mailing or delivering a written notice of suspension to your address as

shown in the Declarations or at the address where the equipment is located.

Once suspended in this way, your insurance can be reinstated only by written notice from us.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

6. Additional Definitions

The following additional definitions apply to the Systems Breakdown Additional Coverage:

a. "Accident" means a sudden and accidental breakdown of:

- (1) Any boiler;
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents;
- (3) Any refrigerating or air conditioning system, piping and its accessory equipment; and
- (4) Any mechanical or electrical machine, equipment or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

b. "Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.

c. "Perishable goods" means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GOLD LIABILITY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

Liability Insurance for Damage to Your Product and Work

1. **A. COVERAGES** is revised as follows:
The Damage to Your Product Exclusion and the Damage to Your Work Exclusion do not apply to "property damage" to "your product" or "your work" if the "property damage":
 - a. Occurs away from premises you own or rent; and
 - b. Arises out of "your product" or "your work" after you have relinquished possession thereof to your customer. "Your work" must have been completed or abandoned, as specified in Paragraph 16.a.(2) of the Definition "Products-completed operations hazard".
2. **DEDUCTIBLE:** \$500 will be deducted from any amount payable under this coverage. We may pay all or any part of this deductible amount in the settlement of a claim. If we do, you agree to promptly reimburse us for the deductible amount we pay.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED EXCLUSION OF ACTS OF TERRORISM (OTHER
THAN CERTIFIED ACTS OF TERRORISM); CAP ON
LOSSES FROM CERTIFIED ACTS OF TERRORISM;
COVERAGE FOR CERTAIN FIRE LOSSES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

The following provisions are added to the Businessowners Special Property Coverage Form and to the following coverages, if attached to this policy:

1. Boat And Motor Floater Special Form;
2. Contractors Equipment Coverage Form;
3. Installation Floater Form;
4. Transportation Floater Form; and
5. Jewelry Dealer Coverage Form:

A. The following definitions are added with respect to the provisions of this endorsement:

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:
 - a. The act resulted in aggregate losses in excess of \$5 million; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002.

However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph b. of the definition of "certified act of terrorism", when such act resulted in aggregate losses of \$5 million or less.

B. The following exclusion is added:

EXCLUSION OF AN "OTHER ACT OF TERRORISM"

We will not pay for loss or damage caused directly or indirectly by an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
2. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials; or
3. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "other acts of terrorism" which occur within a 72-hour period and appear to be carried

out in concert or to have a related purpose or common leadership will be deemed to be one incident.

With respect to this Item B.3., the immediately preceding paragraph describes the threshold used to measure the magnitude of an "other act of terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an "other act of terrorism", there is no coverage under this Coverage Form or Policy.

C. Exception Covering Certain Fire Losses

If an "other act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the exception does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverage Extensions.

D. Cap On Certified Terrorism Losses

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

E. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM INVOLVING
NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM
(RELATING TO DISPOSITION OF FEDERAL TERRORISM
RISK INSURANCE ACT OF 2002)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph B.2.) applies to property located in the following state(s):
State(s)
ANY STATE IN WHICH THERE IS A STANDARD FIRE POLICY STATUTE OR REGULATION THAT DOES NOT CONTAIN AN EXCEPTION FOR TERRORISM.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The Businessowners Policy is amended as follows:

1. Applicability Of The Provisions Of This Endorsement

a. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs:

(1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002, has terminated with respect to the type of insurance provided under this policy; or

(2) A renewal, extension or continuation of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(c) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

The Program is scheduled to terminate at the end of December 31, 2005 unless renewed, extended or otherwise continued by the federal government.

b. If the provisions of this endorsement become applicable, such provisions:

(1) Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and

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- (2) Remain applicable unless we notify you of changes in these provisions, in response to federal law.
- c. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.
2. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.
- "Terrorism" means activities against persons, organizations or property of any nature:
- a. That involve the following or preparation for the following:
- (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- b. When one or both of the following applies:
- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

B. The Businessowners Special Property Coverage Form is amended as follows:

1. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

2. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or

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Extra Expense coverages or endorsements that apply to those coverages.

3. Application Of Other Exclusions

- a. When the Exclusion Of Terrorism applies in accordance with the terms of 1.a. or 1.b., such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.
- b. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

C. The Businessowners Liability Coverage Form is amended as follows:

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage is enclosed in quotation marks:

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined under this Coverage Form.

2. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOBILE EQUIPMENT HELD FOR SALE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following is added to paragraph 3. of **SECTION C - WHO IS AN INSURED**:

With respect to "mobile equipment" held for sale, your customer is an insured. However, if a customer of yours:

- a. Has no other available insurance (whether primary, excess or contingent), they are an insured, but only up to the compulsory or financial responsibility law limits where the covered "mobile equipment" is principally garaged.
- b. Has other available insurance (whether primary, excess or contingent), less than the compulsory or financial responsibility law limits where the covered "mobile equipment" is principally garaged, they are an insured only for the amount by which the compulsory or financial responsibility law limits exceed the limit of their other insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph B.

Exclusions:

This insurance does not apply to:

1. "Bodily injury" or "personal and advertising injury" to:
 - a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above is directed.

2. This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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EXCLUSION - ASBESTOS OR LEAD

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
PETRO PAC PETROLEUM PRODUCTS DISTRIBUTORS COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
GARAGE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
BUSINESSOWNERS POLICY
PRINTERS ERRORS AND OMISSIONS POLICY
BUSINESS ERRORS AND OMISSIONS POLICY
UMBRELLA POLICY

PROVISIONS

This insurance does not apply to any injury, damage, loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of asbestos or lead, asbestos or lead compounds or asbestos or lead which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

1. Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
2. Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such injury or damage, loss, cost, payment or expense; or
3. Any request, order or requirement to abate, mitigate, remediate, contain, remove or dispose of asbestos or lead, asbestos or lead compounds or materials or substances containing asbestos or lead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

A. The Businessowners Special Property Coverage Form is amended as follows:

1. The following is added to Paragraph E.6. **Loss Payment** Property Loss Condition and supersedes any provision to the contrary:

NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM

1. Except as provided in 3. below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:
 - a. Accept your claim;
 - b. Deny your claim; or
 - c. Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in 1.c. above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
3. The notice procedures in 1. and 2. above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim

within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

2. The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind or quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained a partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

B. The Businessowners Common Policy Conditions is amended as follows:

1. Paragraph A. **Cancellation** is replaced by the following:

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.
2. **Cancellation Of Policies In Effect For Less Than 60 Days**
We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.
3. **Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we

may cancel this policy only for one or more of the following reasons:

- a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.
- b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.
- c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through

fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
 5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
 6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.
 7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.
2. Paragraph K. Transfer Of Your Rights And Duties Under This Policy is replaced by the following:

K. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

If you die, this Policy will remain in effect as provided in 1. or 2. below, whichever is later:

1. For 180 days after your death regardless of the policy period

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shown in the Declarations, unless the insured property is sold prior to that date; or

2. Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

3. The following paragraphs are added and supersede any provisions to the contrary:

M. Nonrenewal

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

N. Increase Of Premium

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

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